GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:390
ANSWERED ON:30.04.2007
INCREASE IN ALLOCATION OF FERTILIZERS
Lagadapati Shri Rajagopal;Nayak Shri Ananta

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there has been an increase in the Central allocation of fertilizers to the States during 2006-07;

(b) if so, the details thereof, State-wise; (

(c) whether there is scarcity of fertilizer in some States despite the increase in the allocations ;

(d) if so, the demand, supply and consumption of fertilizers recorded during the said period; State-wise

(e) whether the Government has decided to bear the transportation and distribution cost of Urea to make available Urea to the farmers in the ongoing Rabi season;

(f) if so, the details thereof; and

(g) the details of the recommendations made by the Alag Committee in this regard and the recommendations that have been accepted and implemented ?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (g): A statement is laid on the table of the House.

Statement referred to in reply to part (a) to (g) of Lok Sabha Starred Question No. 390 to be answered on 30.04.2007

(a): The Department of Fertilizers oversees the supply of Urea, Di- ammonium Phosphate (DAP) and Muriate of Potash (MOP) as per the requirement assessed by the Department of Agriculture & Cooperation, Ministry of Agriculture.

(b)& (d) : The state-wise details of demand, availability and sales of fertilizers in 2006-07 and 2005-06 are given in the statement at Annexures I & II respectively.

(c): No Sir, sufficient availability of fertilizers was ensured by the Department of Fertilizers in each of the months in Kharif and Rabi 2006-07 at the state level. However, shortages at the local levels were reported in some states. Urea is the only fertilizer whose movement and distribution is under the partial control of the Government of India (GOI). GOI is responsible for supplying urea up to the state level. It is the responsibility of the state governments to ensure distribution of fertilizers as per local demand within the state.

(e) & (f): As per the new pricing policy, the transportation and distribution cost of Urea will be reimbursed as follows:

(i) Primary Freight will be reimbursed on the basis of actual leads for rail movement;

(ii) Reimbursement of railway freight will be as per the actual expenditure;

(iii) For the road component of the primary freight, road leads will be as per actual distance to the primary godown and per tonne Km. rates will be escalated by the composite road transport index { weighted average of the Wholesale Price Indices (WPIs) of HSD oil, Motor Tyres, Truck Chassis and All Commodities};

(iv) One time enhancement of 33% will be granted on the road component of primary freight to offset the impact of Supreme Court directed maximum truckload limit of 9 MT on road vehicles;

(v) Tariff Commission will be requested to fix average leads and per tonne km base rates for road transportation in the case of secondary movement. These rates will be escalated by WPI (composite road transport index) every year;

(vi) Pending finalization of leads and rates by the Tariff Commission, secondary freight which was frozen at 2002-03 rates during Stages I & II of NPS will be escalated by the increase/decrease in WPI (composite index) since 2002-03;

(vii) The Freight computed and paid as per the policy shall not exceed the actual freight expenditure incurred by the units; and

(viii) The existing scheme for special freight subsidy will continue for supplies to the North Eastern States and Jammu & Kashmir.

(g): Recommendations made by the Alagh Committee in this regard and the recommendations that has been implemented are at Annexure III.

ANNEXURE I

Statewise Requirement, Availability and Sales of UREA, DAP & MOP - 1st April 06 To 31st March 2007

Qty in (LMTs)

PRODUCT	UREA			DAP			MOP		
Name of State	Req. 1st April,06 to 31st March 2007	Cum. Avail. 1st April,06 to 31st March 2007	Cum. Sales 1st April,06 to 31st March 2007	Req. 1st April to 31st March 2007	Cum. Avail. 1st April,06 to 31st March 2007	Cum. Sales 1st April,06 to 31st March 2007	Req.1st April to 31st March 2007	Cum. Avail. 1st April,06 to 31st March 2007	Cum. Sales 1st April,06 to 31st March 2007

Andhra Pradesh	27.00	24.52	22.13	6.69	6.15	5.97	5.21	3.90	3.72
Karnataka	11.20	11.55	10.92	5.00	5.25	4.88	3.90	3.14	2.76
Kerala	1.46	1.33	1.27	0.17	0.23	0.23	1.40	1.13	1.12
Tamil Nadu	10.00	9.59	9.18	3.85	3.98	3.84	4.85	3.48	3.48
Gujarat	15.00	15.22	15.03	5.75	5.79	4.56	1.65	1.46	1.42
Madhya Pradesh	12.10	13.89	13.16	6.20	5.76	4.96	0.50	0.75	0.67
Chhattisgarh	4.90	5.93	5.53	1.38	1.59	1.27	0.52	0.67	0.59
Maharashtra	19.00	20.70	19.87	6.25	7.06	6.49	3.00	2.48	2.34
Rajasthan	13.20	12.80	12.26	5.60	4.30	4.05	0.22	0.07	0.07
Haryana	17.50	18.04	17.33	5.60	5.04	4.46	0.40	0.32	0.23
Punjab	25.00	26.16	25.74	7.90	7.60	7.12	0.90	0.52	0.47
Jammu & Kashmir	1.42	1.15	1.05	0.71	0.55	0.51	0.21	0.10	0.10
Uttar Pradesh	50.00	53.50	51.83	14.50	14.42	12.94	2.30	1.34	1.22
Uttaranchal	1.65	2.17	2.10	0.32	0.24	0.23	0.12	0.06	0.04
Bihar	17.50	16.32	16.01	4.50	3.29	2.65	2.50	1.04	1.00
Jharkhand	1.74	1.63	1.60	1.10	0.71	0.68	0.07	0.01	0.01
Orissa	4.70	4.44	4.21	0.98	1.16	1.03	0.92	0.85	0.75
West Bengal	12.00	12.28	11.94	4.10	3.99	3.54	3.58	2.78	2.51
Assam &Other N.E	3.08	2.67	2.47	0.51	0.27	0.24	0.82	0.59	0.54
OtherTotal	1.10	0.90	0.90	0.20	0.17	0.12	0.20	0.13	0.13
All India	249.55	254.79	244.52	81.31	77.57	69.75	33.27	24.82	23.17

ANNEXURE II

Statewise Requirement, Availability & Sale of Urea, DAP & MOP

2005-06 UREA DAP MOP (LMTs)

Sl. No.	State/Union Territory	Urea Requirement	Urea Availability	Urea Sale	DAP Requirement	DAP Availability	DAP Sale	MOP Requirement	MOP Availability	MOP Sale
1	ANDHRA PRADESH	23.50	23.53	22.18	7.05	6.12	5.96	3.86	4.61	4.13
2	KARNATKA	9.55	11.03	10.67	4.60	5.00	4.57	2.85	3.79	3.36
3	KERALA	1.55	1.26	1.18	0.20	0.17	0.16	1.30	1.29	1.19
4	TAMILNADU	9.50	9.06	8.78	3.50	3.87	3.64	4.50	3.76	3.67
1	GUJARAT	12.50	13.81	13.26	5.20	6.65	5.41	1.30	1.89	1.55
2	MADHYA PRADESH	11.55	10.97	10.20	5.95	5.76	4.66	0.50	0.91	0.57
3	CHHATTISGARH	4.70	4.67	4.45	1.16	1.38	1.27	0.49	0.79	0.49
4	MAHARASHTRA	16.75	18.19	17.21	5.85	5.84	5.13	2.45	2.92	2.47
5	RAJASTHAN	12.30	12.35	11.59	4.90	5.41	4.14	0.20	0.32	0.17
1	HARYANA	16.00	18.00	16.44	5.60	6.64	5.10	0.30	0.55	0.36
2	PUNJAB	24.70	24.55	23.72	7.65	9.54	7.32	0.65	1.25	0.85
3	UTTAR PRADESH	52.00	50.36	45.95	15.50	15.89	12.34	2.60	3.01	1.66
4	UTTARANCHAL	1.77	2.01	1.75	0.27	0.31	0.23	0.11	0.07	0.05
6	JAMMU & KASHMIR	1.20	1.30	1.11	0.70	0.65	0.56	0.17	0.09	0.07
1	BIHAR	14.30	14.24	7.32	3.00	2.12	1.78	1.40	1.64	1.23
2	JHARKHAND	1.75	1.56	1.51	1.16	0.73	0.68	0.26	0.05	0.05
3	ORISSA	4.75	4.31	1.09	0.90	0.92	0.81	1.00	1.16	0.96
4	WEST BENGAL	11.90	10.97	10.41	4.10	3.53	3.43	3.90	3.06	2.52
1	ASSAM	1.95	1.95	1.76	0.43	0.27	0.20	0.75	0.75	0.53
	ALL INDIA	234.26	235.65	221.37	78.06	79.76	67.53	28.89	32.11	26.08

Annexure III

With regard to transportation and distribution of urea recommendations of the Alagh Committee and action taken thereon under the New Pricing Scheme Stage III for Urea are as follows : -

Recommendations of the Alagh Committee

(i) The present system of 50% decontrol be continued for the next four years but with a more rationalized plan for reimbursement of freight on decontrolled component.

Action Taken

The Government will continue to retain the authority to direct movement of urea stock up to 50% of production depending upon the exigencies of the situation.

Recommendations of the Alagh Committee

(ii) Where the fertilizer industry is prepared to set up buffers for distribution in remote and inaccessible areas, the Department of Fertilizers may recognize the effort and extend support through suitable and appropriate schemes.

Action Taken

The Department will operate a buffer stock through the State Institutional Agencies /Fertilizer Companies in States up to a limit of 5% of their seasonal requirement.

Recommendations of the Alagh Committee

(iii) The existing reduction of Rs.100 PMT from the equated freight rate for deregulated quantities should be rationalized by reducing 20% from the equated freight rate subject to a maximum ceiling of Rs.100 PMT.

Action Taken

There will be no difference in the treatment of regulated and de-regulated urea for the purpose of payment of freight subsidy.